

HINTS 'DOSSIER ON CORRUPTION'

Newey Discusses Fund of Adamowski

BY ROBERT WIEDRICH

A hint that some of the contingency funds spent by former State's Atty. Benjamin Adamowski went to prepare a dossier of corruption in the city administration was provided yesterday by Paul D. Newey, former chief investigator.

Newey made his disclosure to THE TRIBUNE as the renewed controversy over the contin-



Paul D. Newey

gency fund during Adamowski's four year term as prosecutor centered on Daniel P. Ward, Democrat state's attorney.

Ward Investigates "Leak"

Ward ordered an investigation of his own staff to learn how a transcript of Adamowski's grand jury testimony on the contingency fund spending was apparently leaked.

He expressed bewilderment on how this could have happened because the three copies of the transcript supposedly were kept under lock and key by himself, Edward J. Egan, his first assistant, and Kevin Gillogly, the special prosecutor who spent 20 months investigating the spending only to end the investigation with dismissal of the grand jury.

All three officials have denied they had made public the transcript or its contents. Ward said it would have been impossible for the information to have been taken from his office without an act of "impropriety" by some staff member.

Entrapment Plan Told

Newey told THE TRIBUNE that thousands of dollars of the contingency funds had been spent in the last half of 1960 on setting up "blinds" to trap city building inspectors and other city employees into soliciting bribes.

"We rented stores and set up other 'fronts' to catch employees of certain city departments, notably the building department," Newey said.

"We learned that if a citizen

paid a bribe, his plans for remodeling would be promptly approved. If he didn't, the plans would be shelved until the citizen got the idea."

The former investigator, who was with the central intelligence agency and the treasury department before joining Adamowski's staff, indicated contingency funds had also been spent in maintaining a surveillance of certain top city officials in what he termed their "fraternization" with certain crime syndicate figures.

All of this material and more, Newey said, was to have been used in a wide scale investigation of governmental corruption had not Adamowski lost his 1960 bid for reelection to Ward.

Adamowski is now the Republican candidate for mayor in the April election. He is pitted against Mayor Daley, who is seeking reelection.

Newey also disclosed that the funds investigated by Ward's office, totaling \$490,000, were used to obtain evidence against city officials whom he accused of having conspired with Chicago trucking firms to avoid buying expensive city vehicle stickers for their trucks by using phoney suburban addresses for the trucks.

This investigation had just gotten under way when Adamowski was defeated, Newey said.

Traced Link to Hoods

Dossiers, he said, were also compiled on the relations between city police officials and members of the sheriff's police

with crime syndicate hoodlums. Surveillance was maintained of these officials as they met with the hoodlums in restaurants and cocktail lounges in various parts of the county, Newey said.

The disbursement of contingency funds in amounts as high as \$3,000 or \$4,000 a month on narcotics investigations were reported by Newey. He recalled that three narcotics "buys" totaling \$5,000 were made in a matter of days during an investigation which culminated in the breaking up of a large dope ring.

In the use of informants, the former investigator cited one underworld card dealer who was on the state's attorney's payroll at \$100 a week and expenses as he reported information on syndicate gambling joints which led to successful raids in Cicero.

Cash to Train Agents

Newey said that in addition, contingency funds were used to pay for specialized schooling of state's attorney's investigators.

About \$20,000 was spent on paying transportation, housing, and other expenses of 22 prosecutors' investigators who attended the treasury agents school in Washington, D. C., mostly during 1960. This marked the first time that anyone other than treasury agents were permitted to take the course, he said.

In addition, other state's attorney's policemen attended specialized training courses in the detector operation and criminal photography, all at contingency fund expense, he said.

Explains Yule Bonuses

Adamowski admitted yesterday that he had paid Christmas bonuses to some 300 employees in 1957, 1958, and 1959, averaging \$60 a person as a means of reimbursing personnel for expenses which "came out of their own pockets during the year."

He said that he did not have regular funds available to give everyone in the office expense accounts who required them.

"Their salaries were low enough as it was," Adamowski said. "Some of the men worked around the clock for days at a time and I couldn't even pay them the overtime they were due."

"It was a practice used by my predecessors in office. I merely continued it. And I believed that it was a good practice of rewarding the men who produced."

Adamowski said he was glad

that the grand jury testimony had been made public, because it gave him an opportunity to discuss it publicly, but he said he deplored as a private citizen the fact that an official agency had apparently violated the sanctity of grand jury proceedings.

"I am not thinking of myself but of all the informants who believed what they said in the grand jury to be inviolate," Adamowski said.

"It means that it will become increasingly difficult in the coming months and years to convince informants to appear before such juries and to restore confidence in the secrecy of the grand jury room."

Ward Decided on Secrecy

Ward disclosed that, following Adamowski's appearance before the grand jury which had listened to evidence about the contingency fund, presented under Gillogly's direction, members of his staff discussed whether Adamowski's testimony should be released.

"The law was examined in that regard but I made a determination, primarily on a policy basis, that the information should not be disclosed," Ward said.

Ward said that when Adamowski refused an invitation from Gillogly to be questioned about the funds, he did so "because he knew any statement he made to Gillogly could be made public and that is why he chose to duck into the secrecy of the grand jury room."

Woman Jury Took Notes

Some members of the state's attorney's staff recalled that a woman member of the grand jury made extensive penciled notes during Adamowski's testimony. Investigators, however, questioned the woman yesterday and she informed them she had later destroyed the notes and had discussed them with no one.

Mayor Daley yesterday said he would have no comment on the controversy.

Gillogly denied yesterday that he had turned over any of the grand jury investigation's testimony to the internal revenue service. He said, however, that he understood federal authorities were interested in the case.